This record is a partial extract of the original cable. The full text of the original cable is not available.

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DEPARTMENT FOR EAP/MLS AND EB COMMERCE FOR 4430/EAP/MAC/OKSA STATE PASS TO USTR FOR WEISEL

E.O. 12958: N/A TAGS: <u>EAGR</u> <u>ETRD</u> <u>TH</u>

SUBJECT: LIFTING THE BAN ON U.S. BEEF

- 11. Summary: Prime Minister Thaksin,s pledge to President Bush to lift the ban on imports of U.S. beef has filtered down to the working level for implementation. However, this is the third time that PM Thaksin has promised to lift the ban without resolution. Technical requirements still remain before the ban can be fully lifted, but Embasy continues to press the issue with high-level RTG officials. End summary.
- 12. In a September 19 meeting with President Bush, Prime Minister Thaksin promised that Thailand would lift a ban on U.S. beef imports that has been in place since a case of BSE was found in a herd of cattle in Washington state in 2003. However, PM Thaksin has twice earlier made the same commitment to Ambassador Boyce, and as yet no concrete action has been taken.
- 13. Since the PM made his most recent pledge, Ambassador Boyce has raised the issue with Foreign Minister Kantathi and also with Advisor to the PM Pansak Vinyaratn, reminding them of PM Thaksin,s promise and the need to lift the ban at the earliest possible time. Each acknowledged the promise and conceded that action needed to be taken soon. Ag Counselor has raised the issue at the trade policy level with the MOAC Permanent Secretary and the lead sanitary and phytosanitary (SPS) negotiator, as well as at the highest technical level with the RTG Chief Veterinary Officer. USTR Lead Negotiator for the Thai-US FTA also raised the issue on the margins of negotiations in Hawaii during the last week of September. RTG FTA negotiators promised to follow up on the issue upon return to Bangkok during the first week of October.
- 14. Despite the apparent political willingness to proceed with lifting the ban, technical issues still remain to be resolved. Agricultural Counselor has met on several occasions with the Ministry of Agriculture,s (MOAC) Department of Livestock Development (DLD) to discuss how to quickly satisfy procedural requirements. Thailand presently requires that meatpacking plants in all exporting countries be individually inspected and approved by the MOAC DLD for health and sanitation before imports can be allowed. The U.S. Department of Agriculture (USDA) will not entertain a plant-by-plant inspection and approval process, but routinely welcomes international veterinary officials to audit the U.S. meat processing system, including the USDA regulatory process that oversees all commercial meatpacking operations. The MOAC claims to be prepared to send an inspection team to the U.S. to examine plants, but insists that USDA first respond to a questionnaire on beef production and slaughter. As yet the MOAC has not produced the questionnaire.
- 15. Ag Counselor explained to MOAC officials that inspecting the large number of meatpacking plants in the U.S. was not feasible and encouraged the MOAC to waive the inspection requirement and consider instead a review of the U.S. inspection system at large and its ability to guarantee that U.S. beef exports meet Thai health safety standards. It is worthwhile noting that USDA inspectors recently concluded an audit of the Thai poultry system, not a plant-by-plant approval, giving the RTG veterinary officials a first-hand opportunity to see how a system audit can adequately address food safety and sanitary concerns.
- 16. Visiting members of the U.S. Meat Export Federation met October 5 with representatives from MOAC,s Department of Livestock Development to discuss the proposed inspection tour to the U.S. Although the Prime Minister,s promise to lift the ban seems to have put new life into discussions with MOAC, DLD officials did not commit to a date for the inspection tour. Ag Counselor attributed some of MOAC,s hesitancy on the issue to the lack of expertise within the Ministry on beef. Thailand is a very small scale producer of beef and officials responsible for food safety are simply not familiar with beef production methods and safety issues in the industry, including BSE.
- 17. Comment: Health and Human Services Secretary Leavitt, accompanied by USDA Undersecretary Butler, will be meeting Thai officials, including the Deputy Minister of Agriculture, on October 10 and will again raise the beef issue. Every

senior official who we have approached regarding this matter has assured us that it will be resolved soon. We will continue to press at all levels to ensure that the ban is lifted while recognizing that the Thai bureaucracy often moves at a deliberate pace. End comment.